

Settlement Memorandum of Understanding
("Fidelity")

1. Fidelity & Guaranty Ins. Co. will pay to the Seekonk Water District/Town of Seekonk, Mass., the sum of Fifty Thousand dollars (\$50,000.00);

2. The parties hereto agree to release all claims asserted in the action entitled Fidelity & Guaranty Ins. Co. v. Star Equip. Corp., et al., # 04-cv-10250-EFH (D.Mass.) except that Star, Charlene Foran & John Foran do ~~not~~ release each other, and Fidelity do not release claims or defenses they have against each other.

3. This settlement is conditioned upon:

- (a) Approval by appropriate municipal authorities; and
- (b) Execution of customary releases and settlement agreement.

Dated: March 4, 2006

Seekonk Water District

By Robert Lulle Chairman
for John L. Lulle Attorney

STAR EQUIPMENT, by

Charlene Foran

John Foran

Charlene Foran

John For